

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1226

Introduced by Kristensen, 37

Read first time January 22, 2002

Committee: Education

A BILL

1 FOR AN ACT relating to postsecondary education; to amend sections
2 85-9,118, 85-9,122, 85-9,124, 85-9,126, 85-9,128, and
3 85-1412, Reissue Revised Statutes of Nebraska, and Laws
4 2001, LB 543, sections 167 and 169, as amended by
5 sections 103 and 105, respectively, Legislative Bill 1,
6 Ninety-seventh Legislature, First Special Session, 2001;
7 to state intent; to provide duties; to change provisions
8 relating to the Scholarship Assistance Program Act; to
9 change and provide for appropriations; to adopt the
10 Private Postsecondary Career School Assistance Program
11 Act; to harmonize provisions; and to repeal the original
12 sections.
13 Be it enacted by the people of the State of Nebraska,

1 Section 1. The Legislature finds and declares that a
2 significant number of Nebraskans do not have the financial
3 resources to avail themselves of the opportunity to attend
4 postsecondary educational institutions. This lack of opportunity
5 not only deprives those Nebraskans of the ability to reach their
6 full potential, but it also deprives the state of well-educated
7 citizens who can meet the work force needs of the state.

8 It is the intent of the Legislature that this unmet
9 financial need of resources for Nebraskans to achieve their
10 academic potential be substantially reduced over a five-year
11 period.

12 On December 1, 2003, and each December 1 thereafter, the
13 Coordinating Commission for Postsecondary Education shall report to
14 the Appropriations Committee of the Legislature and the Education
15 Committee of the Legislature the amount of unmet need existing
16 among Nebraskans wishing to enroll in postsecondary educational
17 institutions and the amount of funding necessary to eliminate the
18 unmet need.

19 Sec. 2. Section 85-9,118, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 85-9,118. The Legislature ~~hereby~~ finds and declares
22 that:

23 (1) The state has established a system of public
24 postsecondary educational institutions in order to assure its
25 citizens access to higher education opportunities;

26 (2) Despite the provision of a system of ~~higher education~~
27 public postsecondary educational institutions, citizens of the
28 state may still need financial assistance in order to attend a

1 public postsecondary educational institution in the state;

2 (3) Other programs of financial aid may not be available
3 to or sufficient for many citizens of the state who desire to
4 attend a public postsecondary educational institution in the state;

5 (4) The state can enhance its goal of providing access
6 for all its citizens to ~~higher education~~ postsecondary educational
7 opportunities by providing for a program of financial assistance to
8 Nebraska resident undergraduate students with substantial financial
9 need who desire to attend public postsecondary educational
10 institutions;

11 (5) A program of financial assistance should minimize the
12 administrative expenses of channeling assistance to students with
13 substantial financial need, thereby maximizing the resulting
14 financial aid awards actually available to the students;

15 (6) A program of financial assistance should maintain
16 maximum flexibility of the chief financial aid officers at
17 Nebraska's public postsecondary educational institutions to most
18 efficiently allocate financial assistance funds within the context
19 of the total financial aid resources available for those students
20 demonstrating substantial financial need; and

21 (7) A program of financial assistance should maintain
22 maximum flexibility of the governing boards and chief financial aid
23 officers of Nebraska's public postsecondary educational
24 institutions to allocate and reallocate a portion of any of the
25 appropriated financial assistance funds to either full-time or
26 part-time students or to students enrolled in those programs in
27 which a work force shortage may exist in the state or a region of
28 the state.

1 Sec. 3. Section 85-9,122, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 85-9,122. Eligible institution ~~shall mean~~ means a public
4 ~~or private~~ institution:

5 (1) Located in Nebraska;

6 (2) Primarily engaged in instruction of students;

7 (3) Satisfying the provisions of Nebraska law relating to
8 the approval and licensure of ~~schools~~, colleges, and universities
9 and maintaining accreditation by an accrediting organization
10 recognized by the United States Department of Education;

11 (4) Offering courses of instruction in regularly
12 scheduled classes to regularly enrolled undergraduate students who
13 reside in Nebraska and have received high school diplomas or their
14 equivalent; and

15 (5) Complying with the commission's request for
16 information pursuant to section 85-9,128.

17 Sec. 4. Section 85-9,124, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 85-9,124. Enrollment ~~shall mean~~ means the establishment
20 and maintenance of an individual's status as a student in a
21 ~~postsecondary educational~~ an eligible institution regardless of the
22 term used at the institution to describe such a status.

23 Sec. 5. Section 85-9,126, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 85-9,126. Undergraduate student ~~shall mean~~ means an
26 individual who has not earned a first baccalaureate or professional
27 degree and is enrolled in a ~~postsecondary educational~~ program at an
28 eligible institution which leads to, or is creditable toward, a

1 first baccalaureate degree, certificate, diploma, or equivalent.

2 Sec. 6. Section 85-9,128, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 85-9,128. The commission shall annually gather the most
5 recent available information regarding the dollar amount of Federal
6 Pell Grants for students attending public postsecondary educational
7 institutions in the state. Only those students who are attending
8 public postsecondary educational institutions which comply with the
9 commission's request for this information will be eligible for
10 awards under the Scholarship Assistance Program Act. The
11 commission shall adopt and promulgate rules and regulations
12 providing for the determination of what acts or omissions may
13 constitute noncompliance by an institution.

14 Sec. 7. Laws 2001, LB 543, section 167, as amended by
15 section 103, Legislative Bill 1, Ninety-seventh Legislature, First
16 Special Session, 2001, is amended to read:

17 Sec. 167. AGENCY NO. 48 -- COORDINATING COMMISSION FOR
18 POSTSECONDARY EDUCATION

19 Program No. 500 - Scholarship Assistance Program

20		FY2001-02	FY2002-03
21	GENERAL FUND	2,044,988	2,034,563
22	PROGRAM TOTAL	2,044,988	2,034,563
23	<u>GENERAL FUND</u>	<u>2,044,988</u>	<u>1,445,895</u>
24	<u>PROGRAM TOTAL</u>	<u>2,044,988</u>	<u>1,445,895</u>

25 All funds appropriated to this program are for state aid
26 and shall only be used for such purpose. The Coordinating
27 Commission for Postsecondary Education may contract, at no cost,
28 with financial aid offices in Nebraska institutions of

1 postsecondary education to disburse the funds to students.

2 Sec. 8. Laws 2001, LB 543, section 169, as amended by
3 Section 105, Legislative Bill 1, Ninety-seventh Legislature, First
4 Special Session, 2001, is amended to read:

5 Sec. 169. AGENCY NO. 48 -- COORDINATING COMMISSION FOR
6 POSTSECONDARY EDUCATION

7 Program No. 650 - Postsecondary Education Award Programs

8		FY2001-02	FY2002-03
9	GENERAL FUND	2,859,050	2,824,203
10	PROGRAM TOTAL	2,859,050	2,824,203
11	<u>GENERAL FUND</u>	<u>2,859,050</u>	<u>3,231,784</u>
12	<u>PROGRAM TOTAL</u>	<u>2,859,050</u>	<u>3,231,784</u>

13 All funds appropriated to this program are for state aid
14 and shall only be used for such purpose. The Coordinating
15 Commission for Postsecondary Education may contract, at no cost,
16 with financial aid offices in Nebraska institutions of
17 postsecondary education to disburse the funds to students.

18 Sec. 9. Sections 9 to 29 of this act shall be known and
19 may be cited as the Private Postsecondary Career School Assistance
20 Program Act.

21 Sec. 10. The Legislature finds and declares:

22 (1) There are needy students in every sector of
23 postsecondary education in Nebraska, including students served by
24 private postsecondary career schools located in Nebraska;

25 (2) Private postsecondary career schools meet a unique
26 state need by training students for jobs in the Nebraska economy;

27 (3) The provision of need-based aid to students in
28 private postsecondary career schools serves an important state

1 interest; and

2 (4) The establishment of a financial assistance program
3 which will serve students with the greatest financial need in
4 private postsecondary career schools in Nebraska is in the best
5 interests of the state and its citizens.

6 Sec. 11. For purposes of the Private Postsecondary
7 Career School Assistance Program Act, the definitions found in
8 sections 12 to 19 of this act shall be used.

9 Sec. 12. Award year means the period from July 1 of one
10 year through June 30 of the succeeding year.

11 Sec. 13. Commission means the Coordinating Commission
12 for Postsecondary Education.

13 Sec. 14. Educational expenses means student costs for
14 tuition, fees, room and board, and books and an allowance for such
15 other expenses as the commission determines by rule and regulation
16 to be reasonably related to attendance at an eligible institution.

17 Sec. 15. Eligible institution means an institution not
18 controlled or administered by any state agency or any political
19 subdivision of the state which is:

20 (1) Located in Nebraska;

21 (2) Primarily engaged in instruction of students;

22 (3) Accredited by a regional or national accrediting
23 organization recognized by the United States Department of
24 Education and granted authorization to operate by the Commissioner
25 of Education pursuant to the Private Postsecondary Career School
26 Act;

27 (4) Eligible to participate in United States Department
28 of Education Title IV student financial assistance programs; and

1 (5) Offering programs of study, training, or instruction
2 to prepare or qualify individuals or upgrade the skills needed for
3 employment, career opportunities, or any specific occupation to
4 students who reside in Nebraska.

5 Sec. 16. Eligible student means an individual who is
6 domiciled in Nebraska as provided by section 85-502, enrolled as a
7 full-time or part-time student at an eligible institution, and
8 eligible to receive United States Department of Education Title IV
9 student financial assistance.

10 Sec. 17. Enrollment means the establishment and
11 maintenance of an individual's status as a student in an eligible
12 institution regardless of the term used at the institution to
13 describe such a status.

14 Sec. 18. Full-time student shall be defined by the
15 commission in the rules and regulations adopted and promulgated by
16 the commission pursuant to the Private Postsecondary Career School
17 Assistance Program Act.

18 Sec. 19. Substantial financial need shall be defined by
19 the commission in accordance with the federal needs analysis
20 methodology.

21 Sec. 20. (1) The Private Postsecondary Career School
22 Assistance Program Act shall provide for awards made directly to
23 eligible students demonstrating substantial financial need and
24 shall be administered by the commission in conjunction with
25 eligible institutions.

26 (2) In order to reduce the costs of administering the
27 act, the commission shall allocate the funds to be distributed
28 pursuant to the act to the eligible institutions which shall act as

1 the agents of the commission in the distribution of funds to
2 eligible students. To determine the allocation amount for each
3 institution the commission shall:

4 (a) Determine the number of students enrolled at the
5 eligible institution in the last completed award year with an
6 expected family contribution of five hundred or below as determined
7 pursuant to the Federal Pell Grant Program;

8 (b) Multiply the number determined in subdivision (a) of
9 this subsection by the institution's average educational expenses
10 for all full-time students for the last completed award year;

11 (c) Divide the product derived pursuant to subdivision
12 (b) of this subsection for each eligible institution by the sum of
13 the products derived pursuant to subdivision (b) of this subsection
14 for all eligible institutions; and

15 (d) Multiply the total state funds appropriated for the
16 purpose of distribution pursuant to the act by the ratio derived
17 pursuant to subdivision (c) of this subsection.

18 (3) In conformance with the rules and regulations of the
19 commission, each eligible institution shall distribute the funds to
20 eligible students attending the respective institution.

21 Sec. 21. An award under the Private Postsecondary Career
22 School Assistance Program Act may be given to an eligible student
23 for attendance at an eligible institution if:

24 (1) The award is made directly to the eligible student
25 rather than to the eligible institution;

26 (2) The eligible student is accepted for enrollment as
27 follows:

28 (a) In the case of an eligible student beginning his or

1 her first year of postsecondary education, such eligible student
2 has satisfied requirements for admission and has enrolled or
3 indicated an intent to enroll in an eligible institution; or

4 (b) In the case of an eligible student enrolled in an
5 eligible institution following the successful completion of the
6 first year, he or she continues to meet the requirements of the act
7 and has maintained such minimum standards of performance as are
8 required by the institution in which the eligible student is
9 enrolled;

10 (3) The amount of the award given to an eligible student
11 is based on substantial financial need;

12 (4) The award covers at least one award period but no
13 more than one award year of attendance as a student at an eligible
14 institution which has adopted and has available for inspection its
15 refund and repayment policies;

16 (5) The eligible student receiving such an award signs a
17 statement certifying that the award will be used only for
18 educational expenses; and

19 (6) The eligible student has complied with such rules and
20 regulations as may be established by the commission.

21 Sec. 22. An award pursuant to the Private Postsecondary
22 Career School Assistance Program Act may be made for a period not
23 to exceed an award year. If the award recipient discontinues
24 attendance at the eligible institution before the end of the award
25 period, the award recipient shall remit any award balances
26 allowable to the eligible institution in accordance with the
27 institution's withdrawal policy. An institution may redistribute
28 to other eligible students any award balance returned in accordance

1 with its refund policy. Award funds not distributed or
2 redistributed within the award year in which funds were allocated
3 shall be returned to the commission by the institution.

4 Sec. 23. The commission shall provide that, in the
5 granting of awards pursuant to the Private Postsecondary Career
6 School Assistance Program Act, priority shall be given to full-time
7 eligible students, but the commission may provide that awards to
8 part-time eligible students enrolled in an eligible institution may
9 be given.

10 Sec. 24. The commission and its agents shall discharge
11 the authority granted them under the Private Postsecondary Career
12 School Assistance Program Act without regard to any eligible
13 student's race, creed, color, national origin, ancestry, age, sex,
14 or handicap.

15 Sec. 25. The commission shall:

16 (1) Supervise the issuance of public information
17 concerning the Private Postsecondary Career School Assistance
18 Program Act;

19 (2) Determine criteria for the eligibility of award
20 recipients;

21 (3) Determine the effective date of awards made pursuant
22 to the act; and

23 (4) Determine criteria for setting the minimum and
24 maximum size of the awards and the eligibility of applicants.

25 Sec. 26. The commission shall establish a reasonable and
26 fair appeal procedure for students and institutions which have been
27 adversely affected by the actions of the commission or eligible
28 institutions in the distribution of funds or granting of awards

1 pursuant to the Private Postsecondary Career School Assistance
2 Program Act.

3 Sec. 27. The Private Postsecondary Career School
4 Assistance Program Act does not grant any authority to the
5 commission to control or influence the policies of any eligible
6 institution because the institution accepts students who receive
7 awards and does not require any such institution to admit or, once
8 admitted, to continue in the institution any student receiving an
9 award.

10 Sec. 28. The commission shall require an annual report
11 from each eligible institution. The report shall demonstrate that
12 students receiving funds under the Private Postsecondary Career
13 School Assistance Program Act have met the basic criteria
14 established in the act and the rules and regulations of the
15 commission adopted pursuant to the act. The report may include
16 other data as required by the commission.

17 Sec. 29. The commission shall adopt and promulgate rules
18 and regulations necessary to carry out the provisions of the
19 Private Postsecondary Career School Assistance Program Act.

20 Sec. 30. There is hereby appropriated \$181,087 from the
21 General Fund for FY2002-03 to the Coordinating Commission for
22 Postsecondary Education for the Private Postsecondary Career School
23 Assistance Program, for Program 660, to aid in carrying out the
24 provisions of this act.

25 Sec. 31. Section 85-1412, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 85-1412. The commission shall have the following
28 additional powers and duties:

1 (1) Conduct surveys and studies as may be necessary to
2 undertake the coordination function of the commission pursuant to
3 section 85-1403 and request information from governing boards and
4 appropriate administrators of public institutions and other
5 governmental agencies for research projects. All public
6 institutions and governmental agencies receiving state funds shall
7 comply with reasonable requests for information under this
8 subdivision. Public institutions may comply with such requests
9 pursuant to section 85-1417;

10 (2) Recommend to the Legislature and the Governor
11 legislation it deems necessary or appropriate to improve
12 postsecondary education in Nebraska and any other legislation it
13 deems appropriate to change the role and mission provisions in
14 sections 85-121.05 and 85-917 to 85-966.01;

15 (3) Establish any advisory committees as may be necessary
16 to undertake the coordination function of the commission pursuant
17 to section 85-1403 or to solicit input from affected parties such
18 as students, faculty, governing boards, administrators of the
19 public institutions, administrators of the private nonprofit
20 institutions of postsecondary education and proprietary
21 institutions in the state, and community and business leaders
22 regarding the coordination function of the commission;

23 (4) Participate in or designate an employee or employees
24 to participate in any committee which may be created to prepare a
25 coordinated plan for the delivery of educational programs and
26 services in Nebraska through the telecommunications system;

27 (5) Seek a close liaison with the State Board of
28 Education and the State Department of Education in recognition of

1 the need for close coordination of activities between elementary
2 and secondary education and postsecondary education;

3 (6) Administer the Integrated Postsecondary Education
4 Data System or other information system or systems to provide the
5 commission with timely, comprehensive, and meaningful information
6 pertinent to the exercise of its duties. The information system
7 shall be designed to provide comparable data on each public
8 institution. The commission shall also administer the uniform
9 information system prescribed in sections 85-1421 to 85-1427 known
10 as the Nebraska Educational Data System. Public institutions shall
11 supply the appropriate data for the information system or systems
12 required by the commission;

13 (7) Administer the State Scholarship Award Program Act,
14 the Scholarship Assistance Program Act, ~~and~~ the Postsecondary
15 Education Award Program Act, and the Private Postsecondary Career
16 School Assistance Program Act;

17 (8) Accept and administer loans, grants, and programs
18 from the federal or state government and from other sources, public
19 and private, for carrying out any of its functions, including the
20 administration of privately endowed scholarship programs. Such
21 loans and grants shall not be expended for any other purposes than
22 those for which the loans and grants were provided. The commission
23 shall determine eligibility for such loans, grants, and programs,
24 and such loans and grants shall not be expended unless approved by
25 the Governor;

26 (9) Make recommendations to the State Board of Education
27 with regard to granting permits for the operation of correspondence
28 schools, privately owned business or trade schools, or other

1 educational institutions under the Private Postsecondary Career
2 School Act whenever any correspondence school, business school, or
3 vocational school offers any course which is intended to lead to
4 the granting of an associate degree, diploma, or certificate or any
5 course which qualifies for college credit;

6 (10) Pursuant to sections 85-1101 to 85-1104, authorize
7 out-of-state institutions of higher or postsecondary education to
8 offer courses or degree programs in this state;

9 (11) Pursuant to sections 85-1105 to 85-1111, approve or
10 disapprove petitions to establish new private colleges in this
11 state;

12 (12) (a) On or before October 1, 1994, and on or before
13 October 1 every two years thereafter through October 1, 1999,
14 submit to the Legislature and the Governor a report of its
15 objectives and activities and the implementation of any
16 recommendations of the commission for the preceding two calendar
17 years; and

18 (b) On or before December 1, 2000, and on or before
19 December 1 every two years thereafter, submit to the Legislature
20 and the Governor a report of its objectives and activities and any
21 new private colleges in Nebraska and the implementation of any
22 recommendations of the commission for the preceding two calendar
23 years;

24 (13) Provide staff support for interstate compacts on
25 postsecondary education; and

26 (14) Request inclusion of the commission in any existing
27 grant review process and information system.

28 Sec. 32. Original sections 85-9,118, 85-9,122, 85-9,124,

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1 85-9,126, 85-9,128, and 85-1412, Reissue Revised Statutes of
2 Nebraska, and Laws 2001, LB 543, sections 167 and 169, as amended
3 by sections 103 and 105, respectively, Legislative Bill 1,
4 Ninety-seventh Legislature, First Special Session, 2001, are
5 repealed.